

Town hall remarks – September 17, 2018

Opening

- Hi everyone. Thanks for joining me. I hope that you have all had a good summer and enjoyed the warm weather. It looks like we are heading into another burst of late summer warmth this weekend.
- At my July update I gave a shout out to the operations team for dealing with the peak we experienced the hot conditions. Well last week, we saw the highest peak since 2013! This again underlines the importance of the work we do as an organization to ensure the adequacy of supply to meet the demand.
- I'll get started now with my updates and then turn it over to you for questions

Strategy update

- As you are probably aware, earlier this year, work started on the development of a new 2018-2022 corporate strategic plan – one that better reflects who we are and where we are at now as an organization.
- During this development process, great feedback was received from across the organization. Thank you for your participation and thoughtful comments.
- What you see up on the screen now is the strategic plan. As you can see, it provides a clear overview of who we are, along with our purpose, vision, It is then divide into our key themes of:
 - Reliability and Resiliency
 - Corporate Agility and Effectiveness
 - Sector Leadership & Purposeful Engagement
 - Innovation
 - Cost Effectiveness

- And below this, the strategic outcomes and initiatives associated with achieving them are outlined. In the initiatives section, you should be able to see how your work contributes to the strategic outcomes and the themes above them.
- The strategy is now posted to the Hub on the “strategic and planning page”, located under the “about us” navigation. I encourage you to take a look at it when you can.

Business Plan update

- As I mentioned in my email to you last week about the submission of the proposed 2019-2021 business plan to the Minister, the plan builds off of the strategy sessions where you were given the opportunity to share your thoughts.
- When the plan is released, you will see how the business plan aligns with the strategy through the corporate performance measurements and strategic outcomes.
- For the second consecutive year, the IESO is proposing to hold its revenue requirement for 2019 at 2017 levels. We also commit to exploring opportunities to reduce our costs without compromising our commitment to reliability.
- After review and approval by the Ministry the plan can be released, and I will keep you up to date as things progress.
- Key initiatives outlined in the plan include:
 - Advancing the Market Renewal Program
 - Enhancing our cybersecurity program
 - Building the infrastructure required to enable approved third parties to access data from the Smart Metering Entity meter data management repository
 - Introducing more transparency into our planning processes
 - Implementing changes to better align energy-efficiency programs with system and consumer needs and transition to the market in the future.
 - Creating an innovation roadmap to enhance system reliability and drive down costs.
- On this last initiative, hopefully you saw the email that came out for the innovation roadmap webinar scheduled for Wednesday this week. This is another opportunity for

you to weigh in and share your thoughts as we move forward on this important initiative. You can also find information on how to participate on the calendar of events section on the home page of the Hub.

IESO Identity

- I also want to bring you up to speed on some work that the executive leadership team has been working on over the past few months, which I call “the IESO identity”. – what our mandate is currently, and where we see opportunities to adjust that.
- Through the course of our conversations, we discussed the relationships we have, with stakeholders, with the government, with others and how we improve on those relationships to help us better deliver on our mandate.
- These basic questions - “who are we” and “what is core to our business” – are all questions that were brought up in my listening tour sessions with you last year.
- Following the discussions at the executive level, the ELT developed a one-page identity statement for discussion with the Directors and although conversations are still ongoing, I am happy to share some highlights....

- *Highlights from identity statement...*

- The identity statement is not designed to list all of the activities we do, or will choose to do in the future... instead... it is intended to provide a foundation for future strategic decision making, and future discussions on IESO culture and values.
- This is something again that can share your thoughts on as we move forward on its development and something I am also talking about at the listening tour sessions...

Listening tour

- I held the first of four listening sessions last week. Thanks to everyone who participated. And there are three more to come...

- Last year's listening tour provided me with an opportunity to introduce myself, and give you a sense of my priorities.
- This year's listening tour is to follow up on those priorities, and talk a bit about what has changed – including things that I think are working well, but also items that require further work and attention.
- A key theme that came out of last year's listening tour was the importance of creating a unified culture, purpose and identity across the IESO, and developing a consistent enterprise-wide focus in the execution of our responsibilities.
- Although I am pleased to see significant improvement in addressing some of the concerns raised last year – specific to creating a unified culture, purpose and identity – I do think there is still room for improvement.

Engagement survey update

- This was reinforced to me by the recent employee engagement survey results, with leadership and direction coming in at one of the bottom three.
- In July I reached out to you with a high-level overview of the results from the survey. By now, senior leaders should have scheduled and held meetings with their respective teams and shared the detailed results from the survey.
- The next step in the process is for the development of action plans that will not only address the areas that need improvement, but help to sustain the high satisfaction scores that were identified in other areas.
- Input into the development of the action plans for each business unit will continue through September, with the goal to have ready for implementation in October.
- The execution of these plans will help ensure that all IESO employees have the information, context, tools and opportunities in place to contribute effectively to the implementation of our mandate and to be successful in our roles.

Other updates in brief

Government

- It is a new era for the IESO with the new government.
- We have not received a lot of indicators yet on the government's direction with the energy file and this may take some time as they figure things out. They are probably re-evaluating how things are done.
- We also have a Minister with a much broader portfolio than before and this may mean that he will not have the same amount of time to dedicate to energy as we have typically seen.
- We have seen some initial areas where they are looking at such as with renewable energy contracts and the Fair Hydro Plan and some of these may affect us.
- Next week we are scheduled for an introductory meeting with staff at the Deputy Minister's office, where we hope to share some of our priorities with the government including cost effectiveness, finding sector efficiencies through initiatives such as Market Renewal and grid reliability to name a few.
- I will keep you posted as things emerge with the government...

Speeches

- I am also heading out this week and next week to make a few speeches ...
 - I am speaking at the Cybersecurity Executive briefing on Wednesday
 - Then on Thursday, I am speaking at the Energy Storage Canada conference
 - And next week I will be speaking at the OEA Energy Conference.
- I always look forward to these opportunities to share the work that we are doing at the IESO and the opportunities to collaborate with all of our sector partners.

Market Renewal -- Single Schedule Market High Level Design

- Last but certainly not least I want to talk about a major milestone that we will reach next week with the release of the Single Schedule Market high level design document.
- The Single Schedule Market initiative is the first step in a broader redesign of Ontario's electricity market that is expected to create more than \$3 billion in savings for customers over a 10-year period with the potential to reach as high as \$5.2 billion.
- This initiative will create efficiencies, ensuring the market price for electricity in Ontario most accurately reflects the cost of producing or consuming electricity. It will simplify payments to those who generate power by reducing additional out-of-market payments that currently exist.
- The release of this document is the first major milestone of many that will follow on what is a priority initiative for the IESO.
- I want to congratulate everyone on the Market Renewal team for their time, effort and expertise in getting us to this point and also to everyone else from across the organization that has contributed.
- Market Renewal is an initiative that will involve the involvement and contribution of employees from across the organization from its development and through to a successful implementation. It will also have a lasting impact on our organization.

Questions

- And with that, I want to open it up to questions.